# 38. Country profile: Republic of the Congo (Brazzaville)



## 1. Development profile

Since 1960, when the Republic of the Congo achieved independence, the country has endured over two decades of Marxist governance, multiple civil wars, coups and political assassinations. During the first half of 1991, the Sovereign National Conference established a democratic government with free and fair elections. However, peace did not last long as, between 1993 and 1999, the country was devastated by civil war. A ceasefire was finally agreed to in 2000, and a new constitution was ratified in 2002.<sup>1</sup>

Congo was classified as a lower middle-income country by the World Bank. However, because per capita income has consistently declined since the 1980s, that classification could be downgraded. Most of the economic problems can be traced back to the civil war that erupted in the country. Because of the war, most of the country's infrastructure was destroyed. This has hampered economic growth as well as human development as can be seen by the fact that entire provinces are without safe drinking water and unemployment is estimated to be as high as 50 percent. The war also destroyed the lives of thousands. 11 percent of children under the age of 15 are orphans and an estimated 5,000 children fought as child soldiers during the war. Almost 3.5 percent of the population is infected with HIV/AIDS, and life expectancy stands at 54 years of age which is one of the lowest in the world. An inconsistent and volatile supply of water and electricity has resulted in frequent water shortages and rolling blackouts, especially in the major cities. Drinking water is only available to 75 percent of the urban population and 10 percent of the rural population. The healthcare system is hampered by a lack of staff and poor infrastructure. Malaria is the main cause of death, accounting for 55 percent of fatalities.

<sup>&</sup>lt;sup>1</sup> Republic of the Congo: Country Brief. (2009, September). Retrieved from World Bank: http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/CONGOEXTN/0,,menuPK:349223~pagePK: 141132~piPK:141107~theSitePK:349199,00.html

<sup>&</sup>lt;sup>2</sup> Ibid.

<sup>&</sup>lt;sup>3</sup> Ibid.

<sup>&</sup>lt;sup>4</sup> Ibid.

<sup>&</sup>lt;sup>5</sup> *Republic of the Congo.* (2010). Retrieved from US Government, Central Intelligence Agency: https://www.cia.gov/library/publications/the-world-factbook/geos/cf.html

<sup>&</sup>lt;sup>6</sup> Congo, Rep. (n.d.). Retrieved from African Economic Outlook: http://www.africaneconomicoutlook.org/en/countries/central-africa/congo-rep/#/social\_context\_human\_resource\_dev

<sup>&</sup>lt;sup>7</sup> Ibid.

The Republic of the Congo was once one of the largest petroleum producers in Africa, but production has recently declined. However, oil is still the most important sector of the economy accounting for 65 percent of GDP, 92 percent of exports and 85 percent of state revenue. In the 1980's, constantly rising oil revenues fed a 5 percent annual increase in GDP, which allowed the government to embark on significant development projects. The country has extremely high foreign debt, which was drastically increased when the government began mortgaging a large portion of oil revenues through oil-back loans. Despite Congo's vast economic potential, the country has not diversified its economy at all and non-oil producing sectors remain extremely underdeveloped. The agriculture sector employs 43 percent of the population but it is not diversified, well —paid and farmers lack the access to or knowledge of techniques and new technologies that would increase their output. In 2008, Congo was ranked 175th out of 178 countries in terms of the ease of doing business in the country. Until many of these problems are rectified, development in the Republic of the Congo will be hampered or even non-existent.

Socioecono	mic indicators <sup>12</sup>
Population (millions)	3.62
GNI per capita, PPP (current USD)	1,830
GDP (current USD) (billions)	8.69
GDP composition by sector (%)	Agriculture – 5 Industry- 60 Services- 35
GDP growth rate (%)	7.6
% below poverty line (%)	42.3
Inflation (%)	5.0
GINI index	47.3
Life expectancy (years)	54
HIV prevalence (%)	3.5
Overseas development aid per capita (current USD)	34
Net official development assistance 2005 (USD Millions)	129
Remittances as % of GDP	0.2
2009 Human Development Index (HDI) ranking	136

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<sup>&</sup>lt;sup>8</sup> Republic of the Congo: Country Brief. World Bank.

<sup>&</sup>lt;sup>9</sup> Republic of the Congo. US Government, Central Intelligence Agency.

<sup>&</sup>lt;sup>10</sup> Congo, Rep. African Economic Outlook.

<sup>&</sup>lt;sup>11</sup>Ibid.

<sup>&</sup>lt;sup>12</sup>Republic of the Congo: Country Data. (2010). Retrieved from World Bank: http://www.worldbank.org/data/countrydata/countrydata.html

### 2. Vulnerability analysis

#### 2.1 External shocks

The global financial crisis compromised "recent efforts by the Congolese government to reduce poverty through resources generated by the extractive industry". The global declines in export consumption also hurt the forest products sector of the Congolese economy. However, the sub sequent reduction in food prices is greatly beneficial to the country as the Congo relies on imported food for 90 percent of cereal and meats and 50 percent of its fish. This leaves the country very vulnerable to fluctuations in food prices.

The Republic of the Congo is plagued by weak basic infrastructure. This situation has been exacerbated by heavy rainfall which has caused extensive erosion which "required mobilizing emergency loans and disrupted expenditure execution at the end of the fiscal year" and has obstructed progress in infrastructure improvements. <sup>16</sup>

#### 2.2 HIV/AIDS

The HIV/AIDS prevalence rate is 3.5 percent nationally and peaks at 5 percent in urban areas. The Government has made efforts to control the disease including: increased awareness; education about prevention methods; support to children who are vulnerable to the disease; and AIDS tests are free. <sup>17</sup>

#### 2.3 Foreign aid and remittances

Congo has significant external debt which amounts to about 50 percent of GDP. It received debt relief under the Heavily Indebted Poor Countries Initiative in 2006. The country also receives large amounts of foreign aid. This could cause problems in the future if foreign governments cut foreign aid in their budgets because of fiscal constraints. The country does not rely on remittances and thus is not greatly affected by economic slowdowns in other countries.

# 3. Monitoring and evaluation

Monitoring and evaluation is limited in sectoral ministries and "many research and planning directorates (DEPs) lack the material resources to fulfill this mandate and still lack all the technical information required to perform genuine project monitoring". <sup>19</sup> Efforts will be made to improve monitoring and evaluation including: restructuring the national statistical system; conducting a

<sup>&</sup>lt;sup>13</sup>Congo, Rep. African Economic Outlook.

<sup>&</sup>lt;sup>14</sup>Republic of Congo: Poverty Reduction Strategy Paper- Annual Progress Report. (2010, March). Retrieved from International Monetary Fund: <a href="http://www.imf.org/external/np/prsp/prsp.asp">http://www.imf.org/external/np/prsp/prsp.asp</a>

<sup>&</sup>lt;sup>15</sup>Congo, Rep. African Economic Outlook.

<sup>&</sup>lt;sup>16</sup>Republic of Congo: Poverty Reduction Strategy Paper- Annual Progress Report. International Monetary Fund.

<sup>&</sup>lt;sup>17</sup>Congo, Rep. African Economic Outlook.

<sup>&</sup>lt;sup>18</sup>Republic of the Congo: Country Brief. World Bank.

<sup>19</sup> Ibid.

general population and housing census; ongoing future surveys; and the establishment of a database of monitoring indicators and action indicators. $^{20}$ 

## 4. Social assistance programmes overview

\*All currency conversions are based on 17<sup>th</sup> February 2010 rates.

- 1 XAF = 0.00204 USD
- 1 EUR = 1.369 USD
- 1 GBP = 1.57161 USD<sup>21</sup>

Programme name Old Age, Disability and Survivor <sup>2</sup>		Old Age, Disability and Survivor <sup>22</sup>
Programme# 1: social insurance system	Programme components	<ul> <li>Old-age pension: The pension is equal to 40% of the insured's average monthly earnings in the best 3 or 5 years of the last 10 years plus 2% of average monthly earnings for each12-month period of coverage exceeding 240 months.         <ul> <li>The minimum pension is equal to 60% of the highest regional legal minimum wage.</li> <li>The maximum pension is equal to 80% of the insured's average monthly earnings.</li> </ul> </li> <li>Partial pension: The pension is equal to 2% of the insured's average monthly earnings in the best 3 or 5 years of the last 10 years for each 12-month period of coverage.         <ul> <li>Benefits are paid quarterly.</li> <li>Benefit adjustment: Benefits are adjusted according to changes in the cost of living.</li> </ul> </li> <li>Old-age settlement: A lump sum is paid equal to 1 month of the insured's average monthly earnings in the best 3 or 5 years of the last 10 years for each 12-month period of coverage.</li> </ul>
	Programme coverage	<ul> <li>Employed persons.</li> <li>Exclusions: Self-employed persons.</li> <li>Special system for civil servants.</li> </ul>

<sup>&</sup>lt;sup>20</sup> Ibid.

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<sup>&</sup>lt;sup>21</sup>Currency Converter. (2010). Retrieved from OANDA: http://www.oanda.com/currency/converter/

<sup>&</sup>lt;sup>22</sup> Table taken from "Republic of the Congo" *Social Security Programs Throughout the World: Africa 2009*. (2009). Retrieved from US Government, Social Security Administration: http://www.ssa.gov/policy/docs/progdesc/ssptw/2008-2009/africa/congo\_brazzaville.html

	Old-age pension: Age 60 (age 50 if prematurely aged), registered with
	the National Social Security Fund during the last 25 years, with at least 300 months of coverage, including at least 60 months of contributions the last 10 years. Retirement from paid employment is necessary.
	<ul> <li>Partial pension: Paid if the insured does not satisfy the qualifying conditions for the old-age pension, but is of pensionable age, retired from paid employment, and has at least 60 months of contributions.</li> <li>The pension is payable abroad only under a reciprocal or international agreement.</li> </ul>
	<ul> <li>Old-age settlement: Paid if the insured does not satisfy the qualifying conditions for a full or partial old-age pension, but is retired from paid employment, and has at least 12 months of contributions.</li> </ul>
Beneficiary determination process	■ <b>Disability pension</b> : The insured must be younger than age 60, assesse with a loss of capacity for any work of at least 66.7%, registered with National Social Security Fund for at least 5 years, and have at least 6 months of contributions in the year before the disability began. The is no minimum qualifying period if the disability is the result of a nonoccupational accident.
	<ul> <li>Constant-attendance supplement: Paid if the insured requires the constant attendance of others to perform daily functions.</li> </ul>
	<ul> <li>Survivor pension: The deceased met the qualifying conditions for a pension or was a pensioner at the time of death.</li> </ul>
	<ul> <li>Survivor settlement: Paid if the deceased was insured but did not sat the qualifying conditions for a pension.</li> <li>Eligible survivors are a widow(er) who was married to the deceased for at least 1 year, children younger than age 16 (age 17 if an apprentice, age 20 if a student or disabled), a dependent parents.</li> <li>The widow(er)'s pension ceases on remarriage.</li> </ul>
	<ul> <li>Insured person: 4% of covered earnings.</li> <li>The minimum monthly earnings for contribution calculating purposes are equal to the legal minimum wage.</li> <li>The legal monthly minimum wage is 43,000 CFA francs (U</li> </ul>
Finance	87.79).  The maximum monthly earnings for contribution calculate purposes are 1,200,000 CFA francs (USD 2449.98).
Tillulice	Self-employed person: Not applicable.
	■ Employer: 8% of covered payroll.
	■ Government: None.
	■ First law: 1962.
Legal framework	Current law: 1986 (social security)

	•	National Social Security Fund administers the program.

	Programme name	Sickness and Maternity <sup>23</sup>
Programme #2: social insurance system: maternity benefits only.	Programme components	<ul> <li>Employed women.</li> <li>Exclusions: Self-employed women.</li> <li>Special system for civil servants.</li> </ul>
	Programme coverage	<ul> <li>Sickness benefit: No statutory benefits are provided. (The 1975 labor code requires employers to provide paid sick leave.)</li> <li>Maternity benefit: The benefit is equal to 50% of daily covered earnings in the month before the maternity leave begins (the employer also pays 50% of earnings). The benefit is paid for 15 weeks, including at least 9 weeks after the expected date of childbirth; may be extended by 3 weeks in the event of complications arising from pregnancy or childbirth.</li> <li>Workers' Medical Benefits: The insured is reimbursed for any medical expenses related to maternity care. (Some maternity and child health and welfare services are provided under Family Allowances, below.)</li> <li>Dependents' Medical Benefits: No statutory benefits are provided. (Some maternity and child health and welfare services are provided under Family Allowances, below.)</li> </ul>
e #2: social insura	Beneficiary determination process	<ul> <li>Cash sickness benefits: No statutory benefits are provided.</li> <li>Cash maternity benefits: The insured must have at least 6 consecutive months of employment and be currently working at least 20 days or 133 hours a month.</li> </ul>
Programm	Finance	<ul> <li>Insured person: None.</li> <li>Self-employed person: Not applicable.</li> <li>Employer: See source of funds under Family Allowances, below.</li> <li>Government: None.</li> </ul>
	Legal framework	<ul><li>First law: 1956.</li><li>Current law: 1986 (social security).</li></ul>
	Administrative framework	<ul> <li>Ministry of Labor, Employment, and Social Security provides supervision.</li> <li>National Social Security Fund administers the program.</li> </ul>

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 $<sup>^{23}</sup>$  Table taken from "Republic of the Congo" Social Security Programs Throughout the World: Africa 2009. US Government, Social Security Administration.

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<sup>&</sup>lt;sup>24</sup>Table taken from "Republic of the Congo" *Social Security Programs Throughout the World: Africa 2009.* US Government, Social Security Administration.

Programme coverage	deceased's earnings.  Pensions are paid quarterly.  Funeral grant: The cost of the funeral is paid, up to a maximum.  Employed persons, members of workers' cooperatives, apprentices, and students of technical colleges.  Exclusions: Self-employed persons.  Special system for civil servants.
Beneficiary determination process	Work injury benefits: There is no minimum qualifying period.
Finance	<ul> <li>Insured person: None.</li> <li>Self-employed person: Not applicable.</li> <li>Employer: 2.25% of covered payroll.         <ul> <li>The minimum monthly earnings for contribution calculation purposes are equal to the legal minimum wage.</li> <li>The legal monthly minimum wage is 43,000 CFA francs (USD 87.79).</li> <li>The maximum monthly earnings for contribution calculation purposes are 600,000 CFA francs (USD 1224.9).</li> </ul> </li> <li>Government: None.</li> </ul>
Legal framework	<ul><li>First law: 1959.</li><li>Current law: 1986 (social security).</li></ul>
Administrative framework	<ul> <li>Ministry of Labor, Employment, and Social Security provides supervision.</li> <li>National Social Security Fund administers the program.</li> </ul>

Ε	Programme name	Family Allowances <sup>25</sup>	
Programme #4: employment-related system	Programme name  Programme components	<ul> <li>Family allowances:         <ul> <li>2,000 CFA francs (USD 4.08) a month is paid for each child.</li> <li>The benefit is paid quarterly.</li> </ul> </li> <li>Prenatal allowance:         <ul> <li>2,000 CFA francs (USD 4.08) a month is paid for each month of pregnancy, up to 9 months. The allowance is paid in two equal amounts.</li> </ul> </li> <li>Birth grant:         <ul> <li>A lump sum of 1,100 CFA francs (USD 2.25) is paid for each of the first three births.</li> </ul> </li> </ul>	
Progra		<ul> <li>Some health and welfare services are also provided to mothers and children.</li> </ul>	

<sup>&</sup>lt;sup>25</sup>Table taken from "Republic of the Congo" *Social Security Programs Throughout the World: Africa 2009.* US Government, Social Security Administration.

	Employed persons.
Programme coverage	Exclusions: Self-employed persons.
	Special system for civil servants.
Beneficiary determination	■ Family allowances: The child must be younger than age 16 (age 17 if an apprentice, age 20 if a student or disabled). The parent must have at least 6 consecutive months of employment and be currently working at least 20 days or 133 hours a month or be the widow of an insured person.
process	<ul> <li>Prenatal allowance: The mother must undergo regularly prescribed medical examinations.</li> </ul>
	Birth grant: Paid for the first three births of the first marriage.
	■ Insured person: None.
	Self-employed person: Not applicable.
	Employer: 10.03% of covered payroll.
Finance	<ul> <li>The minimum monthly earnings for contribution calculation purposes are equal to the legal monthly minimum wage.</li> </ul>
	<ul> <li>The legal monthly minimum wage is 43,000 CFA francs (\$87.79).</li> </ul>
	<ul> <li>The maximum monthly earnings for contribution calculation purposes are 600,000 CFA francs (\$1224.9).</li> </ul>
	■ Government: None.
Legal framework	■ First law: 1956.
	Current law: 1986 (social security).
Administrative framework	<ul> <li>Ministry of Labor, Employment, and Social Security provides supervision.</li> </ul>
	<ul> <li>National Social Security Fund administers the program.</li> </ul>

	Programme name	Agricultural Development and Rural Roads Rehabilitation Project <sup>26</sup>
# 5: welfare and social	Program overview	The objective of the project – the first to be funded by the World Bank in the agricultural sector in Congo since the 1990s - is to assist the Republic of Congo in increasing the ability of the rural poor to raise their income through the use of improved agricultural technologies, the provision of market infrastructure, and the formulation and implementation of poverty-focused agricultural policies and expenditure programs.
Programme#	Programme components	A first component of the project (USD 4.71 million) will help strengthen the capacity of the ministry of agriculture, fisheries and livestock to implement pro-poor policies and ensure efficient and effective management of investment programs in the sector.

<sup>&</sup>lt;sup>26</sup>Table drawn from *World Bank—Projects & Operations*. (2007, June 5). Retrieved from World Bank: http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTS/0,,contentMDK:21360880~menuPK:64282137~pagePK:41367~piPK:279616~theSitePK:40941,00.html

	<ul> <li>The second component of the project (USD 15.94 million) will focus on the rehabilitation of rural roads and construction and rehabilitation of rural market infrastructure – in view of expanding the chance for rural farmers to earn income from their production – and gain access to affordable agricultural inputs.</li> <li>The third component (USD 7.6 million) will help rural producers, especially subsistence-oriented farmers, to raise their productivity and the income they generate from agriculture. The typical activities to be funded under this component would include the generation and dissemination of improved production technologies and market information and the strengthening of the capacity of producer organizations.</li> <li>The fourth component (USD 4.7 million) will be devoted to ensuring the effective management and coordination of project activities, including through the establishment of four regional implementation units to support and coordinate field operations, prepare and consolidate work programs and annual budgets, and help focus on results.</li> <li>The Agricultural Development and Rural Roads Rehabilitation Project (ADRRP) will focus on eight of the ten administrative departments of the country.</li> </ul>
Programme duration	<ul> <li>5<sup>th</sup> June 2007 until 31<sup>st</sup> December 2012.</li> </ul>
Financial commitments	<ul> <li>International Development Association provided a grant of USD 20,000,000.</li> </ul>
Administrative framework	<ul> <li>Ministry of Agriculture, Livestock and Fisheries will be implementing this program.</li> </ul>

	Programme name	Support to Basic Education <sup>27</sup>
e and social	Programme objective	<ul> <li>Improve the efficiency in the allocation and management of resources thereby improving the quality of education as well as working to eliminate educational inequality.</li> </ul>
Programme# 6: welfare	Programme components	<ul> <li>Capacity building exercises for the Ministry of Primary and Secondary Education.</li> <li>The rehabilitation of school buildings that either fell into disrepair because of the wars or because of a lack of maintenance.</li> <li>The provision of school materials to regions in where there is a need.</li> </ul>

<sup>&</sup>lt;sup>27</sup>Table drawn from *World Bank—Projects & Operations*. (2004, September 7). Retrieved from World Bank: http://web.worldbank.org/external/projects/main?Projectid=P084317&theSitePK=40941&piPK=64290415&pagePK=64283 627&menuPK=64282134&Type=Overview

	Teacher training exercises as well as training for school administrators.
Programme duration	23 <sup>rd</sup> September 2004 until 30 <sup>th</sup> June 2012.
Financial commitments	<ul> <li>International Development Association provided a grant of USD 20,000,000.</li> </ul>
Administrative framework	The Ministry of Education will be implementing this project.